

Oversight Board of the Successor Agency to the South Pasadena CRA

MEETING DATE: August 22, 2012

FROM: Chu Thai, Finance Director

SUBJECT: **Resolution Approving a Recognized Obligation Payment Schedule – January 1, 2013 to June 30, 2013; and Resolution Approving the Administrative Budget for the Successor Agency**

Recommendation:

It is recommended that Oversight Board:

1. Adopt the attached resolution approving the third Recognized Obligation Payment Schedule (“ROPS”) for the period of January 1, 2013 – June 30, 2013; and
2. Approve by resolution, the Successor Agency’s administrative budget for the period of January 1, 2013 – June 30, 2013.

AB X1 26, the Dissolution Act, required all successor agencies to formulate Recognized Obligation Payment Schedule under which the Successor Agency would make payments for eligible obligations of the former Redevelopment Agency. The Recognized Obligation Payment Schedules shall be reviewed and approved by the Oversight Board and subsequently by the State Department of Finance (DOF).

The former Community Redevelopment Agency, on January 30, 2012, approved the First Recognized Obligation Payment Schedule for the period of January-June 2012 (First ROPS) and the Second Recognized Obligation Payment Schedule for the period of July-December 2012 (Second ROPS). On May 9, 2012, the Oversight Board approved both ROPS 1 and ROPS 2 which were forwarded to the DOF and the State Controller's Office.

On May 25, 2012, the DOF notified the City that all of the items listed on the ROPS were approved.

AB X1 26 also requires that the Successor Agency adopt an administrative budget to be approved by the Oversight Board and submitted to the DOF. Successor agencies are entitled to an administrative allowance, subject to approval of the Oversight Board. The administrative allowance is up to five percent (5%) of the eligible property tax allocated to the successor agency for FY 2011-12 and three percent (3%) each year thereafter. The amount shall not be less than \$250,000 for any fiscal year unless agreed to by the successor agency.

As part of the Fiscal Year 2012-2013 State budget package, on June 27, 2012, the Legislature passed, and the Governor signed, Assembly Bill (AB) 1484. The primary purpose of this bill is to

AGENDA ITEM 4

August 22, 2012

Approval of Third ROPS and Administrative Budget

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make technical and substantive amendments to the Dissolution Act. As a budget "trailer bill," AB 1484 took immediate effect upon the signature by the Governor.

Analysis

On August 15, 2012, the Successor Agency reviewed and approved the third ROPS for the period covering January 1, 2013 to June 30, 2013. Per AB 1484 added Section 34177 (m) to the Health and Safety Code, the Successor Agency submitted the ROPS to the DOF, the State Controller's Office, the County Administrators Office and to the County Auditor-Controller at the same time it submitted them to the Oversight Board for approval. These ROPS now must be considered by the Oversight Board and approved by resolution (attached.) Once approved by the Oversight Board, the ROPS must be submitted to the DOF by September 1, 2012.

On August 15, 2012, the Successor Agency reviewed and approved the Successor Agency's administrative budget for the period of January 1, 2013 - June 30, 2013, in the amount of \$250,000. The Oversight Board must now approve the Successor Agency's administrative budget with the attached resolution. Staff may administratively amend the Administrative Budget in order to remove therefrom line items which are subsequently disapproved by the Oversight Board and/or the DOF and also to make corresponding adjustments based on changes to the ROPS, provided, however, that none of such authorization, removal or adjustment shall be deemed to be, nor are they intended as, an acknowledgment of the validity of AB XI 26 and AB 1484 or such action by the Oversight Board and/or the DOF. The Successor Agency reserves all rights of the Successor Agency to challenge the validity and/or application of any or all provisions of AB XI 26 and AB 1484 in any administrative or judicial proceeding, without prejudice to the Successor Agency's right to list any such removed item on this or a future ROPS. The Successor Agency reserves the right to pursue any and all appeals and any available legal or equitable remedy provided or available by law to obtain the correction of any erroneous decision regarding the ROPS.

Fiscal Impact:

If the Successor Agency does not comply with certain provisions of AB 1484, the Department of Finance and the Los Angeles County Auditor have the exclusive authority to withhold future Sales Tax and Property Tax payments to the City of South Pasadena. In addition, AB 1484 imposes a \$10,000 per day penalty if a Successor Agency does not submit its ROPS on time, regardless of the reason or entity withholding approval.

Attachments:

1. Oversight Board Resolution Approving the Recognized Obligation Payment Schedule – January 1, 2013 to June 30, 2013 (Third ROPS)
2. Oversight Board Resolution Approving the Successor Agency's Administrative Budget
3. Successor Agency Resolution No. 7241 SA – Third ROPS
4. Successor Agency Resolution No. 7242 SA – Administrative Budget

ATTACHMENT 1
Oversight Board Resolution
Approving ROPS
January 1, 2013 to June 30, 2013

**OVERSIGHT BOARD
RESOLUTION NO. 2012-08**

**A RESOLUTION OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE
FOR THE PERIOD OF JANUARY 2013 - JUNE, 2013**

WHEREAS, Health and Safety Code, Section 34177(I)(2), as modified by the Supreme Court decision in *California Redevelopment Association, et al., v. Ana Matosantos, et al.*, Case No. S194861, requires the Successor Agency to prepare a recognized obligation payment schedule ("ROPS") every six months covering forward looking six month time frame; and

WHEREAS, Health and Safety Code, Section 34177(I)(2), requires the Successor Agency to submit the ROPS to the Successor Agency's Oversight Board for its approval, and simultaneously submit a copy to the Los Angeles County Auditor-Controller, the Los Angeles County Administrator's Office, and the State of California Department of Finance, and once approved by the Oversight Board, to post the Approved ROPS on the Successor Agency's website and resubmit the Approved ROPS to the DOF and the Los Angeles County Auditor-Controller; and

WHEREAS, the Oversight Board for the Successor Agency to South Pasadena Community Redevelopment Agency ("Oversight Board" as applicable) has met and has duly considered a recognized obligation payment schedule for the period January 1, 2013 through June 30, 2013, in the form submitted by the Successor Agency (the "Third ROPS"); and

WHEREAS, prior to its meeting on August 22, 2012, the members of the Oversight Board have been provided with copies of the Third ROPS and instruments referenced in the Third ROPS; and

WHEREAS, the Oversight Board has reviewed the Third ROPS and those instruments referenced in the Third ROPS; and

WHEREAS, the Oversight Board desires to express and memorialize its approval of the Third ROPS as the Recognized Obligation Payment Schedule duly approved by the Oversight Board, a Recognized Obligation Payment Schedule in the form attached hereto as Exhibit "A," which consists of the Third ROPS with additions or deletions made by and at the instance of the Oversight Board.

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR
AGENCY TO THE SOUTH PASADENA COMMUNITY REDEVELOPMENT
AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. The Oversight Board finds and determines that the foregoing recitals are true and correct.

SECTION 2. The Oversight Board approves as the Recognized Obligation Payment Schedule for the period January 1, 2013 through June 30, 2013 (the "Third ROPS") a Recognized Obligation Payment Schedule in the form attached hereto as Exhibit "A," which consists of the Third ROPS with additions or deletions made by and at the instance of the Oversight Board.

SECTION 3. The Executive Director of the Successor Agency is authorized and directed to post the Third ROPS on the Successor Agency's website, and to submit the Third ROPS to the California Department of Finance and the Los Angeles County Auditor-Controller by September 1, 2013. The Executive Director of the Successor Agency is further authorized to take all other actions necessary and required under the Health & Safety Code or any other applicable law. In addition, the Oversight Board authorizes and directs the Successor Agency staff to make such non-substantive revisions to the Third ROPS as may be necessary to submit the Third ROPS in any modified form required by the California Department of Finance, and the Third ROPS as so modified shall thereupon constitute the Third ROPS as approved by the Oversight Board pursuant to this Resolution.

SECTION 4. The Successor Agency shall maintain on file as a public record this Resolution and the Third ROPS as approved hereby.

PASSED, APPROVED and ADOPTED at a Special Meeting of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena held this 22nd day of August, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Gary E. Pia, Oversight Board Chairperson

ATTEST:

Lucy Kbjian, Oversight Board Secretary

Successor Agency Contact Information

Name of Successor Agency:	Successor Agency to the South
County:	Pasadena Community Redevelopment Agency
	<u>Los Angeles</u>
Primary Contact Name:	David Batt
Primary Contact Title:	Asst. Finance Director
Address	1414 Mission St., South Pasadena, CA
Contact Phone Number:	91030
Contact E-Mail Address:	626-403-7253
	<u>dbatt@ci.south-pasadena.ca.us</u>
Secondary Contact Name:	Chu Thai
Secondary Contact Title:	Finance Director
Secondary Contact Phone Number:	626-403-7252
Secondary Contact E-Mail Address:	<u>cthai@ci.south-pasadena.ca.us</u>

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: Successor Agency to the South Pasadena Community Redevelopment Agency

	Total Outstanding Debt or Obligation
Outstanding Debt or Obligation	\$ 2,993,169
Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	
B Anticipated Enforceable Obligations Funded with RPTTF	154,569
C Anticipated Administrative Allowance Funded with RPTTF	100,000
D Total RPTTF Requested (B + C = D)	254,569
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be the same amount as ROPS form six-month total</i>	\$ 254,569
E Enter Total Six-Month Anticipated RPTTF Funding (Obtain from county auditor-controller)	254,569
F Variance (E - D = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$
Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))	
G Enter Estimated Obligations Funded by RPTTF (Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)	259,044
H Enter Actual Obligations Paid with RPTTF	144,044
I Enter Actual Administrative Expenses Paid with RPTTF	113,366
J Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	1,634
K Adjusted RPTTF (The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)	\$ 252,935

Certification of Oversight Board Chairman:

Pursuant to Section 34177(m) of the Health and Safety code,
I hereby certify that the above is a true and accurate Recognized
Obligation Payment Schedule for the above named agency.

Name

Title

Signature

Date

Name of Successor Agency: Successor Agency to the South Pasadena Community Redevelopment Agency
 County: Los Angeles

Oversight Board Approval Date: _____

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS II)
 January 1, 2013 through June 30, 2013

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	LMHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	Six-Month Total
1	Grand Total						\$ 2,993,169	\$ 461,139	\$ -	\$ -	\$ -	\$ 100,000	\$ 146,569	\$ -	\$ 254,569
2	Tax Allocation Bonds Series 2000			Union Bank of California	Bonds Issued to Fund Downtown Revitalization Project	In Revitalization Proj	2,993,169	198,138.78							146,569
3	Administrative Costs			Employers / Contractors	Payroll / Admin. Overhead / Prof. Fees	In Revitalization Proj	250,000.00	250,000.00							100,000
4	Bond Reserve Fund			Union Bank of California	Maintenance Fund per Bond Covenants	In Revitalization Proj	199,833.30	0.00				100,000			100,000
5	Compensating Balance Account			Bank of America	Interest Compensation for Low-Cost Housing Loans	In Revitalization Proj	27,291.35	0.00							-
6	Legal Services	10/1/2007	10/31/2012	Law Offices of Jones & Mayer	Legal Services	In Revitalization Proj	13,000.00	13,000.00					8,000		8,000
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Name of Successor Agency: Successor Agency to the South Pasadena Community Redevelopment Agency
County: Los Angeles

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) -- Notes (Optional)
January 1, 2013 through June 30, 2013

[illegible]

**Successor Agency to the South Pasadena Community Redevelopment Agency
Los Angeles**

Name of Successor Agency:
County:

Pursuant to Health and Safety Code section 34186 (a)
PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I)
January 1, 2012 through June 30, 2012

[illegible]

ATTACHMENT 2
Oversight Board Resolution
Approving Administrative Budget
January 1, 2013 to June 30, 2013

**OVERSIGHT BOARD
RESOLUTION NO. 2012-09**

**A RESOLUTION OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
APPROVING AN ADMINISTRATIVE BUDGET
FOR THE SUCCESSOR AGENCY FOR THE PERIOD
OF JANUARY 2013 - JUNE, 2013**

WHEREAS, AB X1 26 & AB 1484 require the Oversight Board of the Successor Agency to the South Pasadena Community Redevelopment Agency ("Oversight Board") to approve an administrative budget for the period of January 1, 2013 through June 30, 2013; and

WHEREAS, pursuant to AB X1 26 and AB 1484, on August 15, 2012, the Successor Agency Board of Directors examined the budget and found that it is a sound plan for the operations of the Successor Agency and has approved the Administrative Budget attached hereto as Exhibit "A;" and

WHEREAS, pursuant to Health and Safety Code, Section 34177(k), upon approval of the administrative budget by the Oversight Board, the Successor Agency is required to provide administrative cost estimates, from the approved administrative budgets, that are to be paid from property tax revenue deposited in the Redevelopment Property Tax Trust Fund to the Los Angeles County Auditor-Controller for each fiscal period covered by the administrative budget; and

WHEREAS, the Oversight Board has examined the budget and finds that it is a sound plan for the operations of the Successor Agency.

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR
AGENCY TO THE SOUTH PASADENA COMMUNITY REDEVELOPMENT
AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. The Oversight Board has studied the Successor Agency's Administrative Budget and finds that it is a sound plan for the operations of the Successor Agency, and the Administrative Budget is hereby approved and adopted in substantially the form attached hereto as Exhibit "A" and made a part hereof as required by Health and Safety Code § 34177.

SECTION 2. Successor Agency staff is hereby authorized to administratively amend the Administrative Budget in order to remove therefrom line items that may be subsequently disapproved by the Oversight Board and/or the California Department of

Finance and also to make corresponding adjustments based on changes to the ROPS, provided, however, that none of such authorization, removal or adjustment shall be deemed to be, nor are they intended as, an acknowledgment of the validity of AB X1 26 and AB 1484 or such action by the Oversight Board and/or the California Department of Finance.

SECTION 3. The Executive Director of the Successor Agency is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the proposed administrative budget, including submitting the approved Administrative Budget to the Los Angeles County Auditor-Controller, and any other relevant governmental entity. In addition, the Oversight Board further authorizes and directs the Successor Agency staff to make such non-substantive revisions to the Administrative Budget as may be necessary to submit the Administrative Budget, and the Administrative Budget as so modified shall thereupon constitute the Administrative Budget as approved by the Oversight Board pursuant to this Resolution.

PASSED, APPROVED and ADOPTED at a Special Meeting of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena held this 22nd day of August, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Gary E. Pia, Oversight Board Chairperson

ATTEST:

Lucy Kbjian, Oversight Board Secretary

EXHIBIT A

Administrative Budget -- Paid from Administrative Cost Allowance -- ROPS Line 2

	Total FY 13	ROPS II ***	ROPS III
Salaries	120,000.00	72,000.00	48,000.00
Benefits	41,000.00	24,600.00	16,400.00
Legal Services *	13,000.00	5,000.00	
Special Dept. Expense **	76,000.00	48,400.00	35,600.00
<hr/>			
Total	250,000.00	150,000.00	100,000.00

* Legal Services Expenses included with Special Dept. Expense on ROPS II

** Includes Overhead and Other Misc. Expenses

*** Payment for the Administrative Costs claimed on ROPS II received 6/1/12

ATTACHMENT 3
Successor Agency Resolution
Approving ROPS
January 1, 2013 to June 30, 2013

RESOLUTION NO. 7241 SA**A RESOLUTION OF THE SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH PASADENA,
ADOPTING A RECOGNIZED OBLIGATION PAYMENT
SCHEDULE FOR THE PERIOD OF JANUARY-JUNE, 2013**

WHEREAS, pursuant to Health and Safety Code, Section 34173(d), the City of South Pasadena elected to become the successor agency to the South Pasadena Redevelopment Agency ("Successor Agency") on January 4, 2012 and the Successor Agency is a separate legal entity from the City of South Pasadena; and

WHEREAS, Health and Safety Code, Section 34177(I)(2), as modified by the Supreme Court decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, requires the Successor Agency to prepare a draft of the recognized obligation payment schedule ("ROPS") every six months covering forward looking six month time frame; and

WHEREAS, Health and Safety Code, Section 34177(I)(2), requires the Successor Agency to submit the ROPS to the Successor Agency's oversight board for its approval, and simultaneously, the Successor Agency is required to submit a copy of the draft ROPS ("Draft ROPS") to the Los Angeles County Auditor-Controller, the Los Angeles County Administrator's Office, and the State of California Department of Finance (the "DOF"), and once approved by the oversight board ("Approved ROPS"), to post the Approved ROPS on the Successor Agency's website and resubmit the Approved ROPS to the DOF and the Los Angeles County Auditor-Controller; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE, THE SUCCESSOR AGENCY TO THE SOUTH PASADENA REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

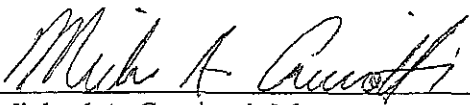
SECTION 2. Approval of the ROPS. The Successor Agency hereby approves and adopts the ROPS, for the period January 1, 2013 through June 30, 2013, in substantially the form attached to this Resolution as Exhibit A, as required by Health and Safety Code, Section 34177.

SECTION 3. Transmittal of the ROPS. The Executive Director is hereby authorized to take all actions necessary under the Dissolution Act to post the Third ROPS

RESOLUTION NO. 7241 SA
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on the Successor Agency website, transmit the Third ROPS to the Auditor-Controller and the County Administrator of the County of Los Angeles and the DOF, submit the Third ROPS to the Oversight Board, and to take any other actions necessary to ensure the approval and validity of the Third ROPS and the validity of any enforceable obligation approved by the Successor Agency in this Resolution. In addition, the Successor Agency authorizes and directs the Successor Agency staff to make such non-substantive revisions to the Third ROPS as may be necessary to submit the Third ROPS in any modified form required by the DOF, and the Third ROPS as so modified shall thereupon constitute the Third ROPS as approved by the Successor Agency pursuant to this Resolution.

PASSED, APPROVED and ADOPTED on this 15th day of August, 2012.


Michael A. Cacciotti, Mayor

ATTEST:

APPROVED AS TO FORM:


Sally Kilby, City Clerk


Richard L. Adams II, City Attorney

I HEREBY CERTIFY the foregoing resolution was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 15th day August, 2012, by the following vote:

AYES: Joe, Khubesian, Putnam, Schneider and Mayor Cacciotti

NOES: None

ABSENT: None

ABSTAINED: None


Sally Kilby, City Clerk

EXHIBIT A

Name of Successor Agency: Successor Agency to the South Pasadena Community Redevelopment Agency
 County: Los Angeles

Oversight Board Approval Date: _____

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS II)
 January 1, 2013 through June 30, 2013

Item #	Project Name / Debt Obligation	Contract/ Agreement Execution Date	Contract/ Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source						
									LMIHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPITF	Other	Six-Month Total
	Grand Total						\$ 2,993,189	\$ 461,139	\$ -	\$ -	\$ -	\$ 100,000	\$ 154,569	\$ -	\$ 254,569
1	Tax Allocation Bonds Series 2000			Union Bank of California	Bonds Issued to Fund Downtown Revitalization Project	Downtown Revitalization Project Area	2,503,204.00	196,139.76					146,569		146,569
2	Administrative Costs			Employees / Contractors	Payroll / Admin. Overhead / Prof. Svcs.	Downtown Revitalization Project Area	250,000.00	250,000.00				100,000			100,000
3	Bond Reserve Fund			Union Bank of California	Maintain Reserve Fund per Bond Covenants	Downtown Revitalization Project Area	199,583.30	0.00							-
4	Compensating Balance Account			Bank of America	Interest Compensation for Low-Med Housing Loans	Downtown Revitalization Project Area	27,881.35	0.00							-
5	Legal Services	10/1/2007	10/31/2012	Law Office of Jones & Mayer	Legal Services	Downtown Revitalization Project Area	13,000.00	13,000.00					8,000		8,000
6															-
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ATTACHMENT 4
Successor Agency Resolution
Approving Administrative Budget
January 1, 2013 to June 30, 2013

RESOLUTION NO. 7242 SA

**A RESOLUTION OF THE SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH PASADENA,
ADOPTING AN ADMINISTRATIVE BUDGET
FOR THE SUCCESSOR AGENCY
FOR THE PERIOD OF JANUARY-JUNE, 2013**

WHEREAS, AB IX 26 & AB 1484 requires the Successor Agency to the South Pasadena Community Redevelopment Agency ("Successor Agency") to adopt an administrative budget for the period of January 1, 2013 through June 30, 2013, to be approved by the Oversight Board of the Successor Agency; and

WHEREAS, pursuant to Health and Safety Code, Section 34177(k), upon approval of the administrative budget by the oversight board, the Successor Agency is required to provide administrative cost estimates, from the approved administrative budgets, that are to be paid from property tax revenue deposited in the Redevelopment Property Tax Trust Fund to the Los Angeles County Auditor-Controller for each fiscal period covered by the administrative budget;

WHEREAS, the Successor Agency Executive Director has prepared the Successor Agency budget for the Board of Directors of the Successor Agency for its review; and

WHEREAS, the Successor Agency Board acknowledges its interest in enabling the Executive Director to conduct the Agency's business in the most efficient and effective manner possible; and

WHEREAS, all necessary changes and modifications have been made to said budget pursuant to ABIX26 and AB 1484; and

WHEREAS, the Successor Agency Board of Directors has examined the budget and finds that it is a sound plan for the operations of the Successor Agency.

NOW THEREFORE, THE SUCCESSOR AGENCY TO THE SOUTH PASADENA REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Board of Directors has studied the Administrative Budget and finds that it is a sound plan for the operations of the Successor Agency and the Administrative Budget is hereby approved and adopted in substantially the form attached hereto as "Exhibit A" and made a part hereof as required by Health & Safety Code § 34177.

RESOLUTION NO. 7242 SA

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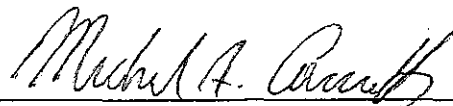
SECTION 2. Successor Agency staff is hereby authorized to administratively amend the Administrative Budget in order to remove therefrom line items which are subsequently disapproved by the Oversight Board and/or the California Department of Finance and also to make corresponding adjustments based on changes to the ROPS, provided, however, that none of such authorization, removal or adjustment shall be deemed to be, nor are they intended as, an acknowledgment of the validity of ABX I 26 and AB 1484 or such action by the Oversight Board and/or the California Department of Finance.

SECTION 3. The Successor Agency reserves all rights of the Successor Agency to challenge the validity and/or application of any or all provisions of AB XI 26 and AB 1484 in any administrative or judicial proceeding, without prejudice to the Successor Agency's right to list any such removed item on this or a future ROPS. The Successor Agency reserves the right to pursue any and all appeals and any available legal or equitable remedy provided or available by law to obtain the correction of any erroneous decision regarding the ROPS.

SECTION 4. The Executive Director of the Successor Agency is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the proposed administrative budget, including submitting the proposed administrative budget to the Successor Agency's oversight board; and upon oversight board approval of the administrative budget, the provision of administrative cost estimates, from the approved administrative budget, that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund to the Los Angeles Auditor-Controller.

SECTION 5. The Clerk of the Successor Agency shall certify as to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED on this 15th day of August, 2012.



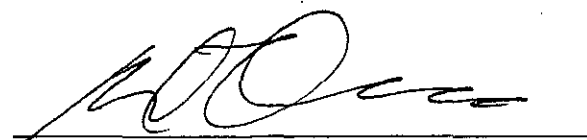
Michael A. Cacciotti, Mayor

ATTEST:

APPROVED AS TO FORM:



Sally Kilby City Clerk



Richard L. Adams II, City Attorney

RESOLUTION NO. 7242 SA

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I HEREBY CERTIFY the foregoing resolution was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 15th day August, 2012, by the following vote:

AYES: Joe, Khubesrian, Putnam, Schneider and Mayor Cacciotti

NOES: None

ABSENT: None

ABSTAINED: None



Sally Kilby, City Clerk

EXHIBIT A

Administrative Budget -- Paid from Administrative Cost Allowance -- ROPS Line 2

	Total FY 13	ROPS II ***	ROPS III
Salaries	120,000.00	72,000.00	48,000.00
Benefits	41,000.00	24,600.00	16,400.00
Legal Services *	13,000.00	5,000.00	
Special Dept. Expense **	76,000.00	48,400.00	35,600.00
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Total	250,000.00	150,000.00	100,000.00

* Legal Services Expenses included with Special Dept. Expense on ROPS II

** Includes Overhead and Other Misc. Expenses

*** Payment for the Administrative Costs claimed on ROPS II received 6/1/12

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